

AMENDMENT NO. 1 TO PURCHASE AGREEMENT

Amendment No. 1 dated December 2, 1987 to the Purchase Agreement dated September 18, 1987 (the "Purchase Agreement") among Imperial Chemical Industries PLC, an English public limited company, ICI American Holdings Inc., a Delaware corporation, ICI International Investments, a Cayman Islands company and Rhone-Poulenc Inc., a New York corporation. The undersigned hereby amend and supplement the Purchase Agreement as follows:

1. The First Sentence of the Purchase Agreement.

The first sentence of the Purchase Agreement is hereby amended by deleting the phrase "(the "Buyer")" and inserting in place thereof the phrase ", RP Stauffer Merger Corp., a Delaware corporation, and Vigama, a corporation formed under the laws of Panama (collectively, the "Buyer")."

2. Section 1.01.

(a) The term "Technology" in Section 1.01 is hereby amended by adding at the end thereof the phrase "except as otherwise provided for in the definition of Basic Exclusive Technology."

(b) The term "Basic Exclusive Technology" in Section 1.01 is hereby amended by deleting the phrase "other than Shared Technology Available to the Basic Group" in clause (iii).

(c) The term "Shared Technology Available to the Basic Group" in Section 1.01 is hereby amended by (1) deleting the phrase "Non-Basic Group" appearing before the phrase "in and to" and inserting in place thereof the phrase "Stauffer Group", (2) adding after the phrase "any Technology" the words "(other than Basic Exclusive Technology)" and (3) adding after the phrase "prior to the Closing Date" the phrase "(or in the case of a member acquired by Akzo N.V. or its affiliates (an "Akzo member"), prior to August 19, 1987)".

3. Section 1.03. Section 1.03 is hereby amended by deleting the phrase "Schedule 1 hereto" and inserting in place thereof the phrase "Section 1.04(b)".

4. Section 1.04(a). Section 1.04(a) is hereby amended to read as follows:

"At the Closing, Sellers shall deliver or cause to be delivered to RP Stauffer Merger Corp. certificates for the Company Shares comprising the shares of SCC, and shall deliver or cause to be delivered to Vigama certificates for the Company Shares comprising the shares of Compania Panamena de Industrias Quimicas, S.A., in each case together with stock powers (or other instruments of transfer) duly executed by the registered holder thereof."

5. Sections 1.04(b) and (c).

Sections 1.04(b) and (c) are hereby amended to read as follows:

"(b) At the Closing, the aggregate purchase price set forth in Section 1.03 shall be paid as follows: Vigama shall deliver to the Sellers \$11,313,000 as the purchase price for the shares of Compania Panamena de Industrias Quimicas, S.A., and RP Stauffer Merger Corp. shall deliver to the Sellers the balance of the aggregate purchase price set forth in Section 1.03 as the purchase price for the shares of SCC. Both payments shall be made by wire transfer of immediately available funds to accounts with banks in New York City designated by Sellers, by notice to the Buyer prior to the Closing Date.

(c) At or prior to Closing, Sellers shall contribute to the capital of SCC the sum of \$6.953 million in cash. Such contribution shall be made by wire transfer of immediately available funds to an account of SCC designated by Buyer and SCC by notice to Sellers prior to the Closing Date."

6. Section 1.05. The following section is hereby added to the Purchase Agreement immediately following Section 1.04 thereof:

"SECTION 1.05. Buyer Liability; Indemnity; Acknowledgment.

(a) RP Stauffer Merger Corp., Vigama and Rhone-Poulenc Inc. shall be jointly and severally liable for each and every obligation of Buyer under this Agreement.

(b) Buyer shall indemnify the Sellers and the members of the Non-Basic Group (on an after-tax basis) against and hold them harmless from any and all Indemnified Amounts (as such term is defined in Section 8.01(a) hereof) incurred or suffered by the Sellers or any such member of the Non-Basic Group, at any time, arising out of or relating to the addition of RP Stauffer Merger Corp. and Vigama as parties to this Agreement pursuant to Amendment No. 1 hereto (the "Addition").

(c) Buyer acknowledges and agrees that there shall be no change in the obligations of Sellers under this Agreement as a result of the Addition, other than a change in the party to whom any such obligation may be owed."

7. Section 2.01(b). Clause (iii) of Section 2.01(b) is hereby amended by inserting after the phrase "\$303.0 million" the phrase ", being the combined consolidated net worth of the Entities as at July 31, 1987, after adjustments and after reflecting the contribution to capital referred to in Section 1.04(c)".

8. Section 3.03(c). Section 3.03(c) is hereby amended by changing the words "The Buyer" to "SCC".

9. Section 4.01(1). (a) The first sentence of Section 4.01(1) is hereby amended to read as follows:

"Sellers have furnished Buyer a balance sheet of the Basic Business as at July 31, 1987, a copy of which is attached to the comfort letter delivered to Buyer pursuant to Section 3.02(c) (the "KMG Peat Marwick Comfort Letter") and a profit and loss statement of the Basic Business for the period ended July 31, 1987 (collectively, the "Financial Statements)".

(b) The two parentheticals in the second sentence of Section 4.01(1) are hereby amended to read as follows:

"(except (i) as disclosed in the letter dated September 18, 1987 from ICI to Rhone-Poulenc Inc., (ii) as disclosed in Schedule 7, (iii) that such Financial Statements do not include a statement of changes in financial position and any required footnote disclosures and (iv) as disclosed in the KMG Peat Marwick Comfort Letter)"

10. Section 5.02(c). Section 5.02(c) is hereby amended by adding the following sentence at the end thereof:

"In the event that Buyer employs any Other Employees pursuant to Section 5.02(a)(i) who are employed at Westport, Connecticut, Sellers shall cause the furniture, office equipment and other tangible personal property used exclusively by such Other Employees as of the Closing Date to be transferred to Buyer without consideration."

11. Section 5.09. The following section is hereby added to the Purchase Agreement immediately following Section 5.08 thereof:

"SECTION 5.09. Guarantee of Certain Indebtedness. The Buyer shall use its best efforts before and after the Closing Date to obtain the release of Chesebrough from any guarantee with respect to the following obligations: (1) \$2.9 million Series 1985 Pollution Control Revenue Bonds due January 1, 1999 issued by the City of Green River, Wyoming and (2) \$4.4 million Series 1982 Pollution Control Revenue Bonds due November 1, 2001 issued by the California Pollution Control Financing Authority (together, the "Guaranteed Obligations") (it being understood that the term "best efforts", as used in this Section 5.09, shall not be interpreted so as to require the Buyer to agree to (i) effect any prepayments of any of the debt listed above, (ii) pay an increased interest rate on any such debt or (iii) modify any other of the principal financial terms of any such debt). At the request of ICI, Buyer shall guarantee the Guaranteed Obligations to the extent currently guaranteed by Chesebrough."

12. Section 6.01(a). Section 6.01(a) is hereby amended by replacing the figure "\$6.6 million" in the second sentence thereof with the figure "\$67,000".

13. Section 6.04. Section 6.04 is hereby amended by (a) adding the words "to cause SCC" after the words "the Buyer agrees", (b) replacing the phrase "Transitional Services Agreement and Site Services Agreements substantially" with the phrase "Transitional Services Agreements and Site Services Agreement" and (c) adding at the end thereof the following sentence: "Sellers shall cause Stauffer Management Company to enter into, and Buyer shall enter into and cause

SCC to enter into, the Employee Benefits Letter Agreement in the form attached hereto as Schedule 18."

14. Section 6.05(a). Section 6.05(a) is hereby amended by (a) adding the words "listed on Schedule 17" after the words "the products" in the first sentence and (b) deleting the phrase "The parties shall agree upon a list of such products not later than 14 days from the date hereof, and such" at the start of the second sentence and inserting in place thereof the word "Such".

15. Section 7.01. Section 7.01 is hereby amended to read as follows:

"SECTION 7.01. Non-Competition. ICI (i) (x) shall not, (y) shall not permit any affiliate of ICI to, and (z) shall cause the members of the Non-Basic Group to agree not to (and cause such members to agree to require any successor to a business conducted by a member of the Non-Basic Group at the time of Closing (or in the case of Akzo members, at August 19, 1987) to agree not to) compete (except pursuant to Section 6.01(b)) in the sale of Basic Products (other than products now produced by any member of the Non-Basic Group (or, in the case of Akzo members, products produced by any such Akzo member at August 19, 1987) unless produced solely for the Basic Group) by (x) using the name "Stauffer" (including, without limitation, any tradename, trademark, symbol or design containing the name "Stauffer") in any competing line of business, (y) using Shared Technology Available to the Basic Group or (z) using Basic Exclusive Technology acquired by the Sellers or their affiliates in connection with the acquisition or operation of the Basic Business and (ii) shall not permit any member of the Non-Basic Group which is an affiliate of ICI to (and shall cause each such member and any successor thereto to agree not to) sell any non-commodity intermediate products which are now supplied (or which are substantially similar to such products now supplied) by any such member to the Basic Group to unaffiliated entities for use in the production of end products which compete in any line of business in which any member of the Basic Group is now engaged. The Buyer (i) (x) shall not, (y) shall not permit any affiliate to, and (z) shall cause the members of the Basic Group to agree not to (and cause such members to agree to require

any successor to a business conducted by a member of the Basic Group at the time of Closing to agree not to) compete in the sale of products produced by members of the Non-Basic Group (other than Akzo members) at the time of Closing (other than Basic Products now produced by the Basic Group unless produced solely for the Non-Basic Group (other than Akzo members)) or in the sale of products produced by Akzo members at August 19, 1987 (other than Basic Products produced at such time by the Basic Group unless produced solely for such Akzo members) by (x) using the name "Stauffer" (including, without limitation, any tradename, trademark, symbol or design containing the name "Stauffer") in any competing line of business or (y) using Shared Technology Available to the Basic Group and (ii) shall not permit any member of the Basic Group to (and shall cause each such member and any successor thereto to agree not to) sell non-commodity intermediate products which are now supplied (or which are substantially similar to such products now supplied) by any such member to the Non-Basic Group (other than the Akzo members) to unaffiliated entities for use in the production of end products which compete in any line of business in which any member of the Non-Basic Group (other than the Akzo members) is now engaged or sell non-commodity intermediate products which were supplied at August 19, 1987 (or which are substantially similar to such products then supplied) by any such member to the Akzo members to unaffiliated entities for use in the production of end products which compete in any line of business in which any Akzo member was then engaged. This Section 7.01, and any restrictions required hereby, shall terminate and expire for all purposes on the fifth anniversary of the Closing Date, except with respect to any breach occurring prior to such anniversary (or, in the case of any restriction relating to the Akzo members, on August 19, 1992, except with respect to any breach occurring prior to August 19, 1992). Nothing in this Section 7.01 shall be construed as permitting the use of any Basic Exclusive Technology by ICI, any of its affiliates or any member of the Non-Basic Group (or any successors thereto). In addition, notwithstanding anything in this Section 7.01 to the contrary, the parties hereto agree to cooperate to seek accommodation, to the

extent appropriate, with respect to those products identified by an asterisk in Schedule 2 hereto."

16. Section 8.01(a). Section 8.01(a) is hereby amended by inserting the phrase "prior to the Closing Date" after the phrase "Stauffer Chemical Company of Wyoming".

17. Section 8.01(c)(i). Section 8.01(c)(i) is hereby amended to read as follows:

"(i) operations or assets of any member of the Stauffer Group (or their predecessors) to the extent not arising from or relating to (w) the Basic Business (it being understood for purposes of this clause (w) that liabilities arising from or relating to sites which are or were owned, operated or leased by any member of the Stauffer Group (or their predecessors) (other than Basic Sites) shall not be deemed to be liabilities arising from or relating to the Basic Business except to the extent such liabilities primarily arise from or primarily relate to the Basic Business), (x) any Basic Site, (y) any Basic Asset or the operation or ownership thereof, or (z) the transport, storage, sale or disposal of any Basic Product manufactured, tested or processed at any Basic Site;"

18. Section 8.01(c)(v). Section 8.01(c)(v) is hereby amended by inserting the phrase "(other than debt incurred by any Entity after the Closing)" after the phrase "member of the Stauffer Group."

19. Section 8.01(c)(vii). Section 8.01(c)(vii) is hereby amended by inserting the phrase "prior to the Closing Date" after the phrase "Stauffer Chemical Company of Wyoming."

20. Sections 8.01(c)(viii) and (ix).

(a) Section 8.01(c)(viii) is hereby amended by adding at the end thereof ", Section 10.13 or Section 10.14."

(b) Section 8.01(c)(ix) is hereby amended by adding at the end thereof "or any assignment or transfer of the shares of Compania Panamena de Industrias Quimicas, S.A. after July 19, 1987 and prior to the Closing Date or any divestiture by Compania Panamena de Industrias Quimicas, S.A. of any of its subsidiaries between the Acquisition Closing Date and the Closing Date."

21. Section 8.01(d). Section 8.01(d) is hereby amended by adding at the end thereof "or any ICI-Indemnified SPA Catalyst Liabilities (as defined in Section 8.01(h))."

22. Section 8.01(g). The following section is hereby added immediately following Section 8.01(f):

"(g) Mt. Pleasant.

(i) Certain Definitions. As used in this Section 8.01(g), the following terms shall have the meanings set forth below.

The term "AgChem" means Stauffer Agricultural Chemicals Company, Inc., a Delaware corporation; and the term "AgChem Group" means AgChem and those members of the Stauffer Group which are subsidiaries or affiliates of AgChem engaged in the agricultural chemicals business.

The term "AgChem Business" means the development, testing, manufacture, processing, marketing, sale, storage, transport and disposal of agricultural chemical products, the management thereof and all activities necessary therefor or incidental thereto, as conducted by or on behalf of the AgChem Group or its predecessors.

The term "Mt. Pleasant Waste Site" means each of the sites in Mt. Pleasant, Tennessee identified in the map attached as Exhibit D.

The term "Mt. Pleasant Environmental Costs" means all Indemnified Amounts arising from or relating to the disposal, discharge or release of solid wastes, pollutants or hazardous substances prior to the Closing at any Mt. Pleasant Waste Site; provided, however, that (i) such Indemnified Amounts shall not include the diminution in value of any real or personal property of the party seeking indemnification arising from or relating to such disposal, discharge or release and (ii) such Indemnified Amounts shall not include any costs incurred for remedial or maintenance work at any Mt. Pleasant Waste Site ("Environmental Work") except to the extent required to comply with environmental quality or environmental or occupational health or safety standards with respect to solid wastes, pollutants or hazardous



substances disposed, discharged or released prior to the Closing at any Mt. Pleasant Waste Site.

(ii) Sellers' Indemnity With Respect to Mt. Pleasant Environmental Costs. Notwithstanding anything in Section 8.01(c) or 8.01(d) to the contrary, effective at the Closing, each of the Sellers, jointly and severally, indemnifies the Buyer and the Entities (on an after-tax, after-insurance basis) against and holds them harmless from any and all Mt. Pleasant Environmental Costs incurred or suffered by the Buyer or any Entity to the extent that such Mt. Pleasant Environmental Costs arise from the AgChem Business; provided that Sellers shall not be liable for any such Mt. Pleasant Environmental Costs to the extent that such Mt. Pleasant Environmental Costs have been materially increased by or arise from actions after the Closing Date by the Buyer or any member of the Basic Group other than (x) those consented to by Sellers or (y) those required by emergency conditions not occasioned by actions of the Buyer or any member of the Basic Group.

(iii) Buyer's Indemnity With Respect to Mt. Pleasant Environmental Costs. Notwithstanding anything in Section 8.01(c) or 8.01(d) to the contrary, effective at the Closing, the Buyer indemnifies the Sellers and the members of the AgChem Group (on an after-tax, after-insurance basis) against and holds them harmless from any and all Mt. Pleasant Environmental Costs incurred or suffered by the Sellers or any such member of the AgChem Group to the extent that such Mt. Pleasant Environmental Costs do not arise from the AgChem Business; provided that the Buyer shall not be liable for any such Mt. Pleasant Environmental Costs to the extent that such Mt. Pleasant Environmental Costs have been materially increased by or arise from actions after the Closing Date by the Sellers or any member of the AgChem Group, other than (x) those consented to by Buyer and (y) those required by emergency conditions not occasioned by actions of the Sellers or any member of the AgChem Group.

(iv) Certain Limitations With Respect to Indemnities. To the extent that Mt. Pleasant Environmental Costs are occasioned or accelerated

by an action after the Closing Date of the party seeking indemnification pursuant to this Section 8.01(g), such as the termination or modification of operations or the change in ownership or control of any Mt. Pleasant Waste Site or any similar action, which action was not consented to by the indemnifying party, then the indemnifying party shall be obligated to pay such Mt. Pleasant Environmental Costs only at the times when its obligation to pay such amounts would have arisen if the action by the party seeking indemnification occasioning or accelerating the Mt. Pleasant Environmental Costs had not been taken.

(v) Method of Undertaking of Environmental Work; Determination of Allocations. If any party shall propose or be required to undertake any Environmental Work, or the defense of any proceeding in respect of which indemnification hereunder may be sought, then, prior to such undertaking, such party shall notify the other party and the parties shall agree upon the most efficient and least expensive method(s) of effecting such Environmental Work (with appropriate regard to sound engineering practice with respect to future Environmental Work and Mt. Pleasant Environmental Costs and the timing thereof) or defense, the party or parties who shall undertake such Environmental Work or defense and the budget therefor. No such prior notification shall be necessary if such party determines in good faith that the undertaking is required by emergency conditions not occasioned by actions or omissions of such party, provided however that such party will, to the extent practicable, use its best efforts to give such prior notification. The parties agree to cause certain of their personnel that are expert in the assessment and management of environmental risks and hazards to meet with each other at regular intervals to (i) review and discuss the terms of any proposed Environmental Work and (subject to any privilege) the conduct of any such defense, (ii) monitor the status of all Environmental Work in progress, (iii) coordinate the parties' dealings with all governmental or administrative authorities and any other third parties with respect to any Environmental Work and any Mt. Pleasant Environmental Costs and proceedings and (iv) determine the scope and nature of the access to properties

referred to in Section 14.1 of the Site Services Agreement referred to in Section 6.04 of this Agreement. The parties also agree to use their best efforts to cooperate to determine in good faith (x) the extent to which any Mt. Pleasant Environmental Costs do or do not arise from the AgChem Business, (y) the extent to which any Mt. Pleasant Environmental Costs arise from any of the matters referred to in the provisos to paragraph (ii) or paragraph (iii) above, and (z) the schedule pursuant to which Mt. Pleasant Environmental Costs governed by the provisions of paragraph (iv) are to be paid by the indemnifying party.

(vi) Termination of Indemnity With Respect to Mt. Pleasant Environmental Costs. If all or any portion of the Mt. Pleasant Waste Site owned by the Entities as of the Closing Date shall cease to be under the care, custody and control of (x) an entity or entities more than 50% of the capital stock of which is or are, as the case may be, owned or controlled, directly or indirectly, by, or under common control with, Rhone-Poulenc S.A. or (y) Rhone-Poulenc S.A., Sellers' obligations under Section 8.01(g)(ii) shall be terminated as to the Site or portion thereof where such care, custody and control has ceased. If all or any portion of the Mt. Pleasant Waste Site owned by the AgChem Group as of the Closing Date shall cease to be under the care, custody and control of (x) an entity or entities more than 50% of the capital stock of which is or are, as the case may be, owned or controlled, directly or indirectly, by, or under common control with, ICI or (y) ICI, Buyer's obligations under Section 8.01(g)(iii) shall be terminated as to the Site or portion thereof where such care, custody and control has ceased."

23. Section 8.01(h). The following subsection is hereby added to the Purchase Agreement immediately following Section 8.01(g) thereof:

"(h) ICI-Indemnified SPA Catalyst Liabilities. Each of the Sellers, jointly and severally, indemnifies Buyer and the Entities (on an after-tax, after-insurance basis) against and holds them harmless from any and all damages, claims, liabilities, fines, penalties, costs or expenses (including reasonable costs of investigation and

settlement and reasonable legal and accounting fees and expenses), payable by the Buyer and the Entities to third parties (collectively, "Third-Party Liabilities") to the extent arising out of or relating to Products (as such term is defined in the Supported Phosphoric Acid Catalyst Production and Supply Agreement made as of August 1, 1987 (the "SPA Catalyst Agreement") between SCC and Stauffer Specialty and Food Products Company, Inc.) prior to August 1, 1987 (collectively, "ICI-Indemnified SPA Catalyst Liabilities"), including the manufacture, testing, processing, sale, distribution, transport, storage or disposal thereof by SCC (or its predecessors), provided that Sellers shall not be liable for any such Third-Party Liabilities to the extent that such Third-Party Liabilities have been materially increased by or arise from actions or omissions after the Closing Date by the Buyer or the Entities.

24. Section 8.05(a). Section 8.05(a) is hereby amended by inserting the phrase "and Section 1.05" after the phrase "this Article VIII" in each place such latter phrase is used.

25. Section 10.12. Section 10.12 is hereby amended by inserting the phrase "(a)" after the phrase "in order to" in the second sentence thereof and by inserting the following phrase at the end of the second sentence: "or (b) perfect the title to, or ownership interest in, any asset the transfer of which was contemplated by the Reorganization Documents."

26. Section 10.13. The following section is hereby added to the Purchase Agreement immediately following Section 10.12 thereof:

"SECTION 10.13. Retention by Sellers of Certain Tax Cases.

Notwithstanding anything in this Agreement to the contrary:

(a) Sellers shall assume, at their expense, the defense of each of the following cases, actions, proceedings and assessments (hereinafter referred to as the "Tax Cases"):

(i) (x) Proposed Tax Deficiency ("PTD") dated June 29, 1987 for the period from January 1, 1976 through December 31, 1983, by the Louisiana Department of Revenue (sales tax with respect to sulfuric acid regeneration (as reflected in such PTD)); and

(y) City of Baton Rouge, et al. v. Stauffer Chemical Co. Inc., Louisiana Supreme Court, a consolidation of cases brought by the State of Louisiana in respect of sales taxes for the period from January 1, 1973 through December 31, 1975 and by the City of Baton Rouge/Parish of East Baton Rouge in respect of sales taxes for the period from January 1, 1976 through December 31, 1984 (sales tax with respect to sulfuric acid regeneration) (it being understood that the PTD in sub-clause (x) of this clause (i) and the case referred to in sub-clause (y) of this clause (i) shall be treated as a single Tax Case for purposes of this Section 10.13);

(ii) PTD dated October 8, 1987 for the period from January 1, 1976 through December 31, 1983, by the Louisiana Department of Revenue (use tax on leased and owned railcars (as reflected in such PTD));

(iii) PTD dated June 29, 1987 for the period from January 1, 1976 through December 31, 1983, by the Louisiana Department of Revenue (certain use taxes at Baton Rouge on miscellaneous items (as reflected in such PTD) at the Baton Rouge plant and sales tax on miscellaneous items (as reflected in such PTD) in the State of Louisiana);

(iv) PTD (per assessment) dated November 13, 1987 for the period from July 1, 1982 through December 31, 1985 by the Illinois Department of Revenue (use taxes on miscellaneous items (as reflected in such PTD) at the Chicago Heights and Waterway plants and sales tax on miscellaneous items (as reflected in such PTD) in the State of Illinois); and

(v) with respect to each PTD described in the foregoing clauses (i) through (iv) and

the case described in clause (i)(y), any additional cases, actions, proceedings or assessments by the same taxing authority (or any successor thereto) against any Entity asserting claims for the same type of taxes on the same or similar basis as such PTD or such case for all or a portion of the period covered by such PTD or such case or attributable to any transaction occurring on or before September 30, 1987. With regard to each of the use taxes referred to in clauses (iii) and (iv), "same or similar" shall mean the portion of any assessment for the same or similar subject matter which generated the use tax stated in such PTD. With regard to each of the sales taxes referred to in clauses (iii) and (iv), "same or similar" shall mean that part of any assessment for the same or similar subject matter which generated the sales taxes in such PTDs.

Sellers shall have the right and obligation to conduct such defense of any Tax Case in any manner that Sellers, in their sole discretion (exercised in good faith), see fit and shall have no liability to any Buyer Indemnatee therefor (except as otherwise provided in the immediately succeeding sentences of this Section 10.13(a) and in Section 10.13(b), (c) and (f) below). Sellers may settle any Tax Case only with Buyer's prior written consent, which consent shall not be unreasonably withheld. The provisions of Section 10.13(f) shall not apply to any proposed settlement of any Tax Case which settlement would have a legally binding effect on the Buyer or any Entity with respect to taxes payable for transactions occurring on or after October 1, 1987, without Buyer's prior written consent (which consent shall not be unreasonably withheld).

(b) The Buyer shall, and shall cause each Buyer Indemnatee to, (i) make available to Sellers all records and other materials and personnel reasonably required by the Sellers for use in connection with any of the Tax Cases and (ii) cooperate with the Sellers in effecting the defense of the Tax Cases. At the option of the Buyer, and

at its expense, it shall be permitted to participate in or monitor the defense of the Tax Cases.

(c) The Sellers jointly and severally indemnify each Buyer Indemnatee against and hold it harmless from, with respect to each Tax Case, any taxes, penalties or interest incurred by such Buyer Indemnatee as a result of any judgment, settlement or other resolution with Sellers' consent attributable to transactions occurring on or before September 30, 1987 reached in connection with such Tax Case and all attorneys' fees and other out-of-pocket expenses incurred by such Buyer Indemnatee in connection with the defense of such Tax Case (other than attorneys' fees and out-of-pocket expenses incurred by such Buyer Indemnatee pursuant to the last sentence of Section 10.13(b) or pursuant to Section 10.13(f)); provided that Sellers shall have no liability under this Section 10.13(c) with respect to such Tax Case except to the extent that such liability (determined without regard to this proviso) exceeds the difference between (i) the reserve for such Tax Case reflected in the September 30 Balance Sheet and described in Section II of Schedule 7 and (ii) the aggregate amount of any payments made by such Buyer Indemnatee with respect to such Tax Case in respect of which such Buyer Indemnatee would (in the absence of this proviso) be entitled to, and (as a result of this proviso) has not claimed or received, indemnification under this Section 10.13(c).

(d) The Buyer hereby assigns, and agrees to cause each Buyer Indemnatee to assign, to the Sellers any and all rights and remedies that any such Buyer Indemnatee has or may have, under law, contract or otherwise, against any customers of such Buyer Indemnatee with respect to any obligation that any such customer has or may have to reimburse such Buyer Indemnatee for any taxes, penalties or interest incurred as a result of any judgment or settlement or other resolution reached in connection with any of the Tax Cases or for any fees or expenses incurred in connection with the defense of any of the Tax Cases.

(e) Promptly after the final resolution or settlement of, or the rendering of any final judg-

ment with respect to, any Tax Case referred to in clauses (i) through (iv) of paragraphs (a) above, Sellers shall determine whether the reserve for such Tax Case reflected in the September 30 Balance Sheet and described in Section II of Schedule 7 exceeds the amount that would be payable to the Buyer Indemnitees pursuant to Section 10.13(c) (determined without regard to the proviso thereto). If such reserve exceeds such amount, Sellers shall furnish the Buyer with a certificate to such effect, together with a calculation showing (i) the amount paid pursuant to the final resolution or settlement of, or the final judgment with respect to, such Tax Case and (ii) the amount of such excess. Within fifteen business days of Buyer's receipt of such certificate, the Buyer shall pay or cause to be paid to the Sellers the amount of such excess, together with interest thereon at the Prime Rate for the period from (and including) September 30, 1987 to (but excluding) the date of such payment.

(f) Subject to the last sentence of Section 10.13(a), but notwithstanding anything else in this Section 10.13 to the contrary, if Buyer does not consent to the proposed settlement of any Tax Case (a "Proposed Settlement") pursuant to the last paragraph of Section 10.13(a), then:

(i) Buyer shall promptly assume, at its expense, the defense of such Tax Case;

(ii) (A) Sellers shall promptly pay to Buyer or the appropriate Buyer Indemnitee the excess, if any, of the amount of the Proposed Settlement (the "Proposed Settlement Amount") over the reserve for such Tax Case reflected in the September 30 Balance Sheet and described in Section II of Schedule 7 or (B) Buyer shall or shall cause the appropriate Buyer Indemnitee to promptly pay to Sellers the excess, if any, of the reserve for such Tax Case reflected in the September 30 Balance Sheet and described in Section II of Schedule 7 over the Proposed Settlement Amount, together with interest on such excess at the Prime Rate for the period from (and including) September 30, 1987 to (but excluding) the date of such payment, as the case may be;



(iii) Sellers shall, at the same time as the events in clauses (i) and (ii) above occur, assign back to the respective Buyer Indemnitees all rights and remedies assigned to Sellers with respect to such Tax Case pursuant to Section 10.13(d);

(iv) Sellers shall have no further liability thereafter under Section 10.13(c) with respect to such Tax Case except for attorneys' fees and other out-of-pocket expenses theretofore incurred in connection with such Tax Case (other than by Buyer Indemnitees pursuant to the last sentence of Section 10.13(b)); and

(v) Buyer and the other Buyer Indemnitees shall have no further liability thereafter under Section 10.13(e) with respect to such Tax Case.

(g) Notwithstanding anything in the Agreement to the contrary, the tax deficiency assessed against SCC by the Alabama Department of Revenue for the period from July 1, 1984 through June 30, 1987 (captioned State of Alabama v. Stauffer Chemical Co.) and relating to sales and use taxes at the Lemoyne and Cold Creek plants (formerly owned by SCC) is not a liability of the Basic Business and shall be an ICI-Indemnified Liability pursuant to Section 8.01(c).

27. Section 10.14. The following section is hereby added to the Purchase Agreement immediately following Section 10.13 thereof:

"SECTION 10.14. Montana Tax Cases. Notwithstanding anything in this Agreement to the contrary:

(a) Sellers shall assume, at their expense, the prosecution or defense, as the case may be, of each of the following cases, actions, proceedings and assessments (hereinafter referred to as the "Montana Tax Cases"):

(i) Stauffer Chemical Company v. Department of Revenue for the State of Montana, State Tax Appeal Board, MT 1987-1, a tax refund action brought in respect of the Montana Mine Net Proceeds Tax for the period from January 1, 1975 through December 31, 1984; and

(ii) any additional cases, actions, proceedings or assessments by the taxing authority referred to in clause (i) above (the "Montana Taxing Authority") against any Entity, or against the Montana Taxing Authority by any Entity, asserting claims for, or claims for refunds of, the Montana Mine Net Proceeds Tax on the same or similar basis as the case referred to in clause (i) above for all or a portion of the period covered by the case referred to in clause (i) above or attributable to any transaction occurring on or before September 30, 1987.

Sellers shall have the right and obligation to conduct such prosecution or defense, as the case may be, of any Montana Tax Case in any manner that Sellers, in their sole discretion (exercised in good faith), see fit and shall have no liability to Buyer, to any member of the Basic Group or to any Buyer Indemnitee therefor (except as otherwise provided in the immediately succeeding sentences of this Section 10.14(a) and in Sections 10.14(b), (c) and (e)). Sellers may settle any Montana Tax Case only with Buyer's prior written consent, which consent shall not be unreasonably withheld. Section 10.14(e) shall not apply to any proposed settlement of any Montana Tax Case which settlement would have a legally binding effect on the Buyer or any Entity with respect to taxes payable for periods commencing on or after October 1, 1987, without Buyer's prior written consent (which consent shall not be unreasonably withheld).

(b) Buyer shall, and shall cause each Buyer Indemnitee to, (i) make available to Sellers all records and other materials and personnel reasonably required by the Sellers

for use in connection with any of the Montana Tax Cases and (ii) cooperate with Sellers in effecting the prosecution or defense, as the case may be, of the Montana Tax Cases. At the option of Buyer, and at its expense, it shall be permitted to participate in or monitor the prosecution or defense, as the case may be, of the Montana Tax Cases.

(c) The Sellers jointly and severally indemnify each Buyer Indemnatee against and hold it harmless from, with respect to each Montana Tax Case, any taxes, penalties or interest incurred by such Buyer Indemnatee as a result of any judgment, settlement or other resolution with Sellers' consent, for periods ending on or before September 30, 1987 reached in connection with such Montana Tax Case and all attorneys' fees and other out-of-pocket expenses incurred by such Buyer Indemnatee in connection with the defense or prosecution of any Montana Tax Case other than attorneys' fees and out-of-pocket expenses incurred pursuant to the last sentence of Section 10.14(b) or Section 10.14(e). In no event shall the foregoing include taxes, penalties or interest to the extent paid by any Buyer Indemnatee on or prior to September 30, 1987.

(d) Buyer shall, and shall cause each Buyer Indemnatee to, pay to Sellers promptly on receipt thereof (or, if permitted by law, shall cause the Montana Taxing Authority to remit directly to Sellers), any proceeds or refunds (including, without limitation, interest) received by any Buyer Indemnatee as a result of any judgment or settlement or other resolution reached in connection with any Montana Tax Case.

(e) If Buyer does not consent to the proposed settlement of any Montana Tax Case (a "Proposed Settlement") pursuant to the last paragraph of Section 10.14(a), then notwithstanding anything in this Section 10.14 to the contrary:

(i) Buyer shall promptly assume, at its expense, the prosecution or defense, as the case may be, of such Montana Tax Case; and

(ii) if the amount of the Proposed Settlement was to have been paid to the Montana Taxing Authority, Sellers shall promptly pay to Buyer or the appropriate Buyer Indemnatee such amount and Sellers shall have no further liability thereafter under Section 10.14(c) with respect to such Montana Tax Case except for attorney's fees and other out-of-pocket expenses theretofore incurred in connection with such Montana Tax Case (other than by Buyer Indemnitees pursuant to the last sentence of Section 10.14(b)); or

(iii) if the amount of the Proposed Settlement was to have been received from the Montana Taxing Authority, Buyer shall or shall cause the appropriate Buyer Indemnatee to promptly pay to Sellers such amount and Buyer and the other Buyer Indemnitees shall have no further liability thereafter under Section 10.14(d) with respect to such Montana Tax Case."

28. Schedule 3. Schedule 3 to the Purchase Agreement is hereby amended by adding the words "(including Maidenrock)" after the words "Silver Bow Mt".

29. Schedules 2, 4, 5, 6, 11, 13 and 14. Schedules 2, 4, 5, 6, 11, 13 and 14 attached hereto are hereby substituted for Schedules 2, 4, 5, 6, 11, 13 and 14 to the Purchase Agreement.

30. Schedule 9. Schedule 9 is hereby supplemented pursuant to Section 4.01(g)(ii) of the Purchase Agreement by the litigation and claims set forth in the Supplement to Schedule 9 attached hereto.

31. Schedule 15. The definition of "Base Year" in Section A of Schedule 15 is hereby amended by deleting the phrase "30th September

1987" and inserting in place thereof the phrase "31st July 1987."

32. Schedule 16. Schedule 16 is hereby amended by:

(a) inserting the phrase "as Amended by Amendment No. 1 thereto dated as of August 19, 1987 and by Amendment No. 2 thereto dated as of November 19, 1987" in place of the phrase "as Amended as of August 19, 1987" in paragraph 5 thereof;

(b) inserting the phrase "as Amended by Amendment No. 1 thereto dated as of November 19, 1987" at the end of paragraph 15 thereof; and

(c) inserting the following at the end thereof:

"16. Agreement of Assignment made as of November 19, 1987 between Stauffer Chemical Company and Stauffer Management Company."

33. Schedules 17 and 18. Schedules 17 and 18 attached hereto are hereby made part of the Purchase Agreement.

34. Schedule 7. Schedule 7 attached hereto is hereby substituted for Schedule 7 to the Purchase Agreement.

35. Section 5.03(b). The first sentence of Section 5.03(b) is hereby amended by inserting after the first time the date "January 1, 1987" appears the following phrase: "and on or before the Closing Date."

36. Section 8.03(a).

(a) Section 8.03(a)(iii) is hereby amended to delete the phrase "transfer, sales or use" after the phrase "the Basic Reorganization; or any".

(b) Section 8.03(a) is hereby amended by deleting the phrase "and (iv)" on p. 45, line 20 and inserting in place thereof ", (iv) any taxes under Section 4661 of the Code attributable to

transactions occurring on or before September 30, 1987 and any penalties or interest in connection therewith and (v)."

37. Section 8.03(b).

(a) The first sentence of Section 8.03(b) is hereby amended by deleting the first two lines thereof (lines 37 and 38 on p. 45) and inserting the following phrase in their place: "Each Buyer Indemnatee indemnifies ICIAH (and any member of its affiliated group, as defined in Section 1504 of the Code), and any affiliate of the foregoing (collectively, a "Seller Indemnatee") on an after-tax basis and agrees to hold them harmless from".

(b) The first sentence of Section 8.03(b) is hereby amended by deleting the phrase "(other than Taxes for Pre-Closing Tax Periods except as otherwise provided hereunder)" and by inserting in place thereof the phrase "attributable to a Post-Closing Tax Period, except as otherwise provided hereunder,".

(c) Section 8.03(b) is hereby amended by deleting the phrase "the Seller receives notice from Buyer" beginning on page 46, line 12 and inserting in place thereof the phrase "indemnifying party receives notice from the indemnified party."

38. Section 8.03(f). Section 8.03(f) is hereby amended by inserting the phrase "or Section 8.03(b)" after the reference to "Section 8.03(a)" on page 48, line 7.

39. Section 8.03(g). Section 8.03(g) is hereby amended by inserting the phrase "and Seller shall indemnify the Buyer Indemnatee and hold the Buyer Indemnatee harmless for such amount" just before the semicolon on page 50, line 14.

40. Sections 5.03 and 8.03. The following typographical errors are hereby corrected by:

(a) capitalizing the word "subsidiary" on page 27, line 5;

(b) deleting the phrase "Closing Tax Agreement" on page 30, line 17, and inserting in place thereof the phrase "any closing agreement pursuant to Section 7121 of the Code";

(c) deleting the word "concerning" on page 32, line 24 and inserting in place thereof the word "concerns".

(d) changing the reference to "Section 8.03(a)" on page 47, line 12 to "Section 8.03(b)";

(e) inserting the phrase "amount of Loss under clause (i) shall be calculated by giving effect to the" after the word "The" on page 48, line 12;

(f) deleting the period in the middle of the line on page 50, line 19;

(g) changing the word "closing" to "Closing" on page 50, line 24; and

(h) deleting the entire sentence beginning with the word "If" on page 50, line 35.

41. Tax/Buyer Indemnatee. Section 8.03 is hereby amended by changing the word "Tax" to "tax" in the places identified on Exhibit A attached hereto. In addition, the word "Buyer" in Sections 5.03 and 8.03 should be read as "Buyer Indemnatee" in the places identified on Exhibit A attached hereto.

42. Section 5.03(d). Section 5.03(d) is hereby amended by deleting the phrase "amount of such refund." on page 29, line 26, and inserting in place thereof the following: "the amount of such refund multiplied by the percentage of stock of the Buyer Indemnatee receiving such refund that is owned directly or indirectly by the Sellers immediately prior to the Closing Date."

43. Section 5.03(d). Section 5.03(d) is hereby amended by deleting the phrase "Pre-Closing Tax Period" from page 29, line 24 and inserting the phrase "any tax period other than a Post-Closing Tax Period"; by deleting the phrase "any period

other than a Pre-Closing Tax Period" from page 29, lines 29-30, and inserting the phrase "Post-Closing Tax Period"; and by deleting the term "SCC" from page 29, line 24 and page 29, line 25 and inserting the phrase "such Buyer Indemnatee" in both locations.

44. Section 8.03(a). The following sentence is hereby added at the end of Section 8.03(a): "In determining the amount for which ICIAH is required to indemnify a Buyer Indemnatee with respect to taxes attributable to a Pre-Closing Tax Period as defined in Sections 4.01(h) and 8.03(g) of this Agreement, such amount shall equal the amount of the Loss (as defined in Section 8.03(f) of this Agreement) multiplied by the percentage of stock of such Buyer Indemnatee owned directly or indirectly by the Sellers immediately prior to the Closing Date.

45. Section 8.03(d). Section 8.03(d) is hereby amended by deleting the word "and" on page 47, line 33 and by adding at the end of Section 8.03(d) the following "and (iii) any other transaction contemplated by the Reorganization Documents.

46. Section 5.03(n). The following section is hereby added after Section 5.03(m):

(n) Notwithstanding the provisions of Section 5.03(d) (which shall not apply to the following):

(1) Buyer shall pay or cause to be paid to ICI 51% of any amount in excess of \$3.5 million which Stauffer Chemical Company of Wyoming ("Stauffer Wyoming") or any other Buyer Indemnatee or successor to any of the foregoing shall receive from the United States Internal Revenue Service (the "IRS") as a result of the claim for a federal tax refund made by Stauffer Wyoming under Form 1139, filed in September 1987 (the "Wyoming Claim") or any changes, additions or modifications thereto.

(2) ICI shall pay to Buyer or the appropriate Buyer Indemnatee 51% of the amount by which the amount Stauffer Wyoming shall



receive from any taxing authority in respect of the Wyoming Claim shall be less than \$3.5 million."

47. Section 10.15. The following section is hereby added to the Purchase Agreement immediately following Section 10.14 thereof:

"SECTION 10.15. Calculation of Tax Refunds. For purposes of determining the amount of any tax refund that a Buyer Indemnatee is required to pay to the Sellers, any actual federal, state or local tax cost incurred as a result of the receipt of such tax refund by a Buyer Indemnatee and any actual federal, state or local tax savings realized by a Buyer Indemnatee as a result of the payment of such tax refund to the Sellers, shall be taken into account in the year in which such tax cost is actually incurred or tax benefit is actually realized, as the case may be, in a manner that is consistent with the provisions of Section 8.03(f) of this Agreement. Appropriate payment, if any, shall be made by the Buyer or the Sellers to the other, as the case may be, in the year in which such tax cost is actually incurred or tax benefit is actually realized, to give effect to this provision. In so doing, any actual federal, state or local cost incurred and any actual federal, state or local tax benefit received, as the case may be, arising from any payments required under this Section shall also be taken into account.

48. Section 8.05. Section 8.05 is hereby amended by deleting the phrase "(other than for purposes of Taxes indemnified under this Agreement)" on p. 51, lines 10 and 11 and inserting in place thereof the phrase "(other than as provided in Section 8.03(f))".

This Amendment (i) may be executed in one or more counterparts by the parties hereto, (ii) shall become effective when counterparts hereof have been executed by all of the parties hereto and (iii) shall be governed by and construed in accordance with the laws of the State of New York. Each signatory hereto represents to the other signatories hereto that such signatory has duly authorized, executed and delivered this Amendment. As amended hereby, the Purchase Agreement shall continue in full force and effect and references therein and in any other document referring thereto shall hereafter be deemed to refer to the Purchase Agreement as so amended.

IMPERIAL CHEMICAL INDUSTRIES PLC

RHONE-POULENC INC.

By P. H. Jessop  
Title: Attorney-in-Fact.

By Michael S. Lee  
Title: Senior V.P.

ICI AMERICAN HOLDINGS INC.

RP STAUFFER MERGER CORP.

By P. H. Jessop  
Title: Attorney-in-Fact

By Michael S. Lee  
Title: \_\_\_\_\_

ICI INTERNATIONAL INVESTMENTS

VIGAMA

By [Signature]  
Title: \_\_\_\_\_

By Michael S. Lee  
Title: \_\_\_\_\_

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The foregoing amendments and supplements  
are hereby accepted and agreed to by the under-  
signed.

RHONE-POULENC S.A.

By Michel / S. Les  
Title:

Exhibit A

- I. Section 8.03 should be amended by changing the word "Tax" to "tax" in the following places:
- a. page 45 line 23;
  - b. page 46 lines 14, 17, 21, 22, 23 and 44; and
  - c. page 50, line 41.

II. A. Section 5.03 should be amended as follows:

- a. deleting the phrase "Buyer, SCC, or any U.S. affiliate thereof" on page 27, line 13 and by inserting in place thereof the phrase "a Buyer Indemnatee (as hereinafter defined in Section 8.03)";
- b. deleting the word "Buyer" on page 28, line 3 and by inserting in place thereof the phrase "a Buyer Indemnatee";
- c. deleting the word "Buyer" on page 28, line 15 and by inserting in place thereof the phrase "a Buyer Indemnatee";
- d. deleting the phrase "the Buyer or any affiliate thereof" on page 28, line 22 and inserting in place thereof the phrase "a Buyer Indemnatee"; and
- e. deleting the phrase "the Buyer (or any affiliate thereof)" on page 29, line 22 and inserting in place thereof the phrase "a Buyer Indemnatee";

B. Section 8.03 should be amended as follows:

- a. deleting the phrase "or any affiliate" on page 45, line 27 and inserting in place thereof the word "Indemnatee";
- b. inserting the word "Indemnatee" after "Buyer" on page 45, line 29 and deleting the phrase "any affiliate of the Buyer or any transferee of the Buyer";
- c. deleting the phrase "Indemnified Buyers" on page 45, line 31 and inserting thereof the phrase "Buyer Indemnitees";
- d. inserting the phrase "Each Buyer Indemnatee" in place of "the Buyer" on page 45, line 34;
- e. deleting the phrase "or any affiliate" on page 46, line 1 and inserting in place thereof the word "Indemnatee";
- f. inserting the phrase "such Buyer Indemnatee" in place of "the Buyer" on page 46, line 2;
- g. deleting line 4 on page 47 and inserting in place thereof "Each Buyer Indemnatee shall";
- h. deleting the word "has" on page 49, line 46 and inserting in place thereof the phrase "and the Buyer Indemnitees have";
- i. inserting the phrase "(or cause the Buyer Indemnitees to pursue their)" after the word "its" on page 50, line 1;
- j. inserting the phrase "(or the Buyer Indemnitees have)" after the word "has" on page 50, line 9;

- k. inserting the phrase "and the Buyer Indemnitees" after the word "Buyer" on page 50, line 16;
- l. deleting the word "its" on page 50, line 17 and inserting in place thereof the word "their"; and
- m. inserting the phrase "(or the Buyer Indemnitees)" after the word "Buyer" on page 50, line 24.